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WHITHER SOVIET RUSSIA

• A. Ciliga

From "Révolution prolétarienne," Paris

THE SOCIAL revolution in Russia has come to an end. The agricultural grandees, the bourgeoisie and even the mass of petty farmer capitalists and businessmen have been wiped out. By and large the social and political antagonisms of yesterday have been eliminated. But on the other hand new conflicts have broken out. The battle is raging at present on the following two fronts: 1. *between the new social ruling class and the masses of working people*; 2. *among the different groupings formed within the new ruling class*.

The real masses of the people, i.e. the workers and peasants, feel they have been cheated out of what they expected from the Revolution. The agricultural grandees and the bourgeoisie are no longer in existence. On the other hand, workers and peasants feel the pressure exercised by the new exploiting class, the Soviet bureaucracy, which holds in its hands the entire statified economic set-up. Private capitalism has been liquidated, yet it is not socialism that has triumphed but rather State capitalism. This is the feeling of the masses. This is the source of their deep discontent. This is what really nourishes the "left oppositions" of every shade.

But the disappointed masses are passive in matters *political*. They carry on their fight against the régime that sprang from the revolution simply for points of immediate importance and lack the strength to make this fight a political one. To this fact, furthermore, is due the present weakness of all the leftist groups. Yet it would be a mistake to overlook completely the general pressure that the masses by their permanent passive resistance exercise on the totality of the forces of Party and State.

Entirely different is the situation within the socially dominant stratum. A fierce battle is raging among the real masters of the Soviet people. Everything is in question; the revolutionary heritage is at stake. Three groups face each other in this struggle: the Communist bureaucracy, the "non-Party" bureaucracy and the Church hierarchy.

On what social forces do they lean for support? What are their mutual relations?

The Party bureaucracy through the Communist Party, the only party that exists in the country, dominates the trade unions and other mass organizations. It has authority over all the forces of the State and carries the greatest weight in the economic set-up. It has the monopoly of political power in its fist.

The "non-Party" bureaucracy takes in the various sections of the country's intelligentsia. The technician intellectuals form its principal contingent. This fact is highly important, for it corresponds to hegemony over the immediate process of production. The workers are directly subordinated to them.

The intelligentsia has also the directing influence in the realm of science, literature and the arts. It has set up its own corporate bodies through the autonomous sections of the I.T.R. (*ingeniernye-technicheskie-rabotniki* — engineers and technicians).

The abbreviation I.T.R. resounds today in Soviet Russia almost as proudly as did formerly the word "soviet." Western Europe will yet have the chance to realize this.

This "non-Party" bureaucracy also occupies an important place in the framework of the State and even in the army. It can also count on the support of one of the most powerful organizations of new Russia, the Church.

Despite the fact that the Church takes a self-styled non-political stand and is ready to collaborate with the Stalinist régime, it is drawing quite close to the "non-Party" bureaucracy. Well worth study is the growth of its influence, which must be attributed to the disappointment suffered by the masses with regard to the outcome of the Revolution.

During the course of the last years of my stay in the USSR, where I held a position in the industry, I was able to observe that the engineers with all their heart direct the discontent of the workers against the Communist bureaucracy, which they make responsible for every difficulty. Gradually a united front is being formed between the "non-Party" bureaucrats and the working class (still more so with the peasants) *against the Communists*.

This united front constitutes one of the most striking consequences of the Five Year Plan. Industrialization and collectivization having been realized, the historic mission of the Communist bureaucracy appears fulfilled, so that it becomes an obstacle in the way of the continued evolution of the country. The Communist bureaucracy is above all an object of hate in Russia. In the eyes of the toiling masses it appears to be the worst exploiter. It has entered a phase of isolation which is becoming more and more accentuated. Quietly its most dangerous rival, the "non-Party" bureaucracy, is opening an attack on the monopoly of political power in the hands of the Communists.

Stalin at first sought to remedy this situation with the new Constitution. Under pretext of an "equality of rights," this constitution aimed to reconcile the rival groups within the ruling stratum. The "non-Party" bureaucrats were to receive the same rights as the Party bureaucrats, but at the same time the workers and the peasants were to be deprived of their rights. In effect the new Constitution has even formally taken from the workers their electoral privileges, which they in reality had for a long time possessed on paper only.

The technician "intelligentsia" and the intellectuals, who had formerly been branded as survivors of the bourgeois class, have in accordance with the Constitution become entitled to membership in the "classless people of the Soviets."

In order to make more evident the trend toward reconciliation, the new Constitution granted electoral rights even to priests, former nobles and bourgeois. The oldtime patriotic ideology, raised from the grave and bedecked with Russo-Soviet phraseology, was to solder the new national unity.

In the light of the trials that followed after, the whole attempt at reconciliation arranged in grand style by Stalin, must be considered a failure. There are many reasons for its miscarriage. The principal cause is the fact that Stalin presented the Constitution as a manoeuvre, a fraud. The political equality of the "non-Party" bureaucrats and the Communists was proclaimed quite solemnly. The historical bearing of this declaration of principles is not to be under-estimated. But for the moment, in reality, nothing has been changed. In effect, by the introduction of Article 126 into the Constitution, the monopoly of the Communist

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Party in each basic State body was affirmed, thus unmasking the purely decorative character of this equality.

The "non-Party" bureaucracy could not consider itself as much satisfied with internal conditions as with external, though the situation was particularly favorable for it. This was all the more true because what is called the "right opposition" and the Red Army officers insisted on real concessions to the non-Communist elements of the country. Soviet society began to grow aware of an internal conflict.

As a result, Stalin had recourse to the trials. Thus he hopes to win out in spite of his critical isolation, intimidating his adversaries within the Party and without. Each new trial, however, demonstrates that his method is succeeding less and less. By these trials he rather multiplies the number of his adversaries and smoothes the way for their union. Each one feels more and more that there is nothing as unworthy and dishonorable as this government. The hour of the typical Thermidorian block going from leftist to rightist extremes is at hand . . .

But is there nothing exaggerated in this? Let us face the facts.

The first trial of August, 1936, against Zinoviev and Kamenev, was prepared in a manner still quite "respectable." It was arranged as a trial against the "left opposition." It was set up against would-be enemies of the democratization of Russia by the new Constitution, against those who opposed entrance into the League of Nations and the "tactic of the Popular Front" abroad.

But in Soviet Russia the "left opposition" is very weak. Why cause a world scandal on its account? Obviously this trial aimed at something else. It was to serve as a warning to the elements active in politics, the dangerous "right oppositionists," the "non-Party" bureaucrats.

But the trial had effects other than those hoped for by Stalin. It did nothing but compromise the Communist Party still more and increase the appetites of the "non-Party" Bolsheviks.

The events themselves seemed to predestine the Red Army to play the role of arbitrator between the rival groups. This army, sprung from the Revolution, had to offer the Party bureaucracy a satisfactory guarantee against a restoration of the White Guards. On the other hand it was able to assure the "non-Party" bureaucrats a genuine equality, since it was itself above the party. In a pinch the Army could finally guarantee to the entire ruling stratum the maintenance of order. This is the root of Soviet Bonapartism. Danger of war increases its chances of success. By the execution of Tukhachevski and Co., Stalin has not stamped underfoot the danger of an 18th of Brumaire. In fact the young directors of the army and the navy can propose as their goal just what Stalin attributed to the group recently beheaded.

What is going to happen?

It is not impossible that Stalin himself may establish a last-minute reconciliation between the two rival groups. In any event he has shown up to the present moment capacities amply sufficient for the erection of a Bonapartist régime. But if he shows himself incapable of taking the decisive step, he, as the last Trotskyite, will probably climb into the cart going to the guillotine. Historically Russia is moving toward a dictatorship of the reconciled bureaucracy *with or without Stalin*.

The third eventuality, that Stalin will destroy and corrupt the State apparatus so thoroughly that Russia will lose its position as a major power and will fall victim to an aggressor nation, seems to me scarcely probable. Although today it is uncontest-

able that Russia is weak, the new ruling class has during the course of twenty years of revolution shown so much vital strength and decision in moments more critical than the present that Russia will in the end successfully overcome this crisis.

Translated by Fred.

WORKERS OF EUROPE IN A TRAP

• J. Bernier

We suspect that Chamberlain is not as stupid as the various "Leagues for Peace and Democracy," Harold Laski, Heywood Brown, Low, High and the other crusaders for righteousness through war, make him out to be. He appears to know his business, which is the defence of the interests of British capitalism on the world arena. He does not want a large war in Europe. He knows that a general European conflict will of a necessity involve Great Britain, and the latter has everything to lose and little to gain by participating in a European war.

But on the other hand, Britain is quite willing to take part in a war in the Far East. It has a huge investment in present China and vivid future interests in the unified and pacified China of the future, which will be a greatly superior field for placement of capital than it is today. Then there are India and Australia to be saved. Britain can participate in a Far Eastern war by aiding China (and possibly Russia) with war material and money but remaining comfortably neutral as far as the movement of British troops and even battleships are concerned. In fact, this sort of war between Great Britain and Japan is taking place in the Far East at this moment. So that the pious crusaders are actually having come true their dream of having Chamberlain join in a "bloc of Democratic powers"—but only in the Far East, and without Russia. And the Leaguers and the other crusaders are interested first in Russia.

It is different nearer home. The game played in Europe under the cover of "accords" and official avowals of friendship is described by the dour but clear-seeing Jean Bernier in Le Reveil Syndicaliste:

AT THE TWO NERVE points of Europe: Czechoslovakia and Spain, where the Italo-German and Franco-Russian imperialist camps clash under the pretext of fascism and democracy, none of the conditions necessary for the provisional compromise, wanted by Britain for the purpose of completing its rearmament, has been realized.

In Czechoslovakia, a heavy veil of silence weighs on the negotiations between the Prague government and the Sudeten. Only one thing is clear: time passes without the publication of the projected statute of the German and other national minorities. The imperialist Franco-Russian tandem, which pulls the strings of Benes and Hodza has not yet resigned itself to paying with the dismantling of its Czechoslovak bastion for the delay of the perspectives of war . . .

In Spain, where the clash of the two imperialist camps facing each other in a new European and colonial redivision is realized through the "fascist" capitalist government of Franco and the "democratic" capitalist government of Negrin, nothing has arisen since a month ago to shed light on the situation.*

* Bernier should be surprised by the time this appears in print.

Under the "fascist" and "democratic" tirades, the same game that we have so many times denounced is being played—in the blood of the workers of Spain—between England and Italy, who are assured of Franco, on one hand, and France and Russia, the mistress of Barcelona and Valencia, on the other hand.

In order to avoid an immediate war, for which it feels itself to be quite unprepared, and in order to face the Chinese situation, British imperialism wants to temporize. Ready to abandon Central Europe to German expansion and even to allow it an open road to the Ukraine, on the condition that it turns away from Rumania and the Near East, British imperialism is not afraid to concede to Italy in Spain the satisfaction and prestige of a Franco victory, of which, anyhow, the City of London will be the principal beneficiary.

After it has arranged this business with Italy and Germany, the British government will be ready to negotiate with Hitler and Mussolini the Western compromise, which, if it draws France into the Four Power Pact, will detour German dynamism toward Russia, the traditional rival of Britain in Central Asia and the Far East.

It is unnecessary to add that the conquest of France is indispensable for the execution of this project.

British imperialism lacks an army. It has the need of French imperialism to defend Flanders. It must therefore win over France to its plan.

The latter does not take kindly to the idea. She nevertheless permits herself to be pulled by the ear to listen to reason. Supporting herself both in Prague and Barcelona on the Russian State, which has most to lose by the British plan for Europe, France does not want to give up anything in Central Europe, and she is glum about the prospect of allowing Franco to win in Spain. For if that happens, all obstacles in the way of the realization of the Four Power Pact will be removed, and that will mean the definitive ruin of the Versailles system and the end of the French hegemony on the continent.

That is how France reacts—under the mask of the most perfect cordiality—to the British attempts to reach a compromise in Central Europe and in Spain.

In Prague, France "mechanizes" Benes, who rather likes it. In Barcelona, France lets Russia, which holds the "republican" State apparatus in its military and police talons, "mechanize" Negrin and del Vayo, who can hardly bear it, but . . .

The Anglo-Italian accord of April 16; the opening and the consequent rupture of the Italo-French negotiations in May, when the "Franco-Russian" ministry of Daladier-Mandel-Paul Reynaud restocked with arms the "republican" forces defeated in Aragon; the bombardment of the English freight ships; the closing of the Pyrenean border on June 13; the accord of the London Committee on the repatriation of the "volunteers;" the Italian moves for a speedy application of the Anglo-Italian agreement and the French counter-moves; the furious campaign against Chamberlain by the "communists" and their C.G.T. agents; the current chronicle of the Spanish tragedy—all these things can only be understood in the light of the play of interests we have just outlined.

Only the consideration of these relationships can shed light on the alternatives manifesting themselves in the pressure and extortion exercised on one another, in the blood of the Spanish workers and peasants, by the cunning beasts of imperialist capitalism. Only the consideration of the described interests can explain the contradictions in the "Spanish" policy of the British, wedged in between Germany and Italy on one side and France on the

other; the contradictions in the policy of the French, held tight between England and Russia; the contradictions in the policy of the Russians, caught between France and Great Britain.

That is a far call—isn't that so?—from the "Spanish revolution," the "fascist invasion of Spain," "Spanish democracy and independence," the "struggle for peace and liberty;" in brief, from the innumerable lies by the means of which so-called labor papers (without mentioning the more bourgeois publications) endeavor to lead the French workers into the same imperialist trap into which their brothers in Spain have fallen.

THE WAR POLICY OF BRITISH IMPERIALISM

• F. A. Ridley

AS HAS recently been pointed out by M. Yvon in his illuminating monograph, *What Has Become of the Russian Revolution*, the capitalist economic system has itself undergone profound changes, as compared with the "classical" formulae of Smith, Ricardo and the Manchester School. Capitalism is today still Capitalism. The wage earners have only too much cause to know this. If the leopard has, in this instance, changed his spots, he still remains a bona fide leopard. None the less, a pedantic insistence on all the features of "classical" capitalism, as recorded by Marx, Rodbertus, and J. S. Mill, would lead, undeniably, to certain unjustifiable conclusions, for example, that "Fascism" is not capitalism, or that the USSR is, in very truth, the "socialist fatherland."

The most striking distinction between the capitalism of the mid 19th and that of the early 20th century lies, obviously, in the increasingly monopolistic character of economic undertakings.

In the post war period the monopolies represented by giant industrial and financial concerns have tended, more and more to give way to the super monopoly in excelsis, i.e., the State. The activities of the State more and more come to represent the motive power behind the economic life of present day capitalism. Whoso understands not this is disqualified from a correct appreciation and evaluation of the real social character of Bolshevism—state capitalism exclusively dominated by a bureaucracy, as the result of revolution, and Fascism, the state capitalism which perforce accepts a compromise with the older order of capitalist monopoly. This process, which everywhere confronts us in the advanced countries of the West, represents a development of the tendency expressed by Marx that "one capitalist always kills many."

The period of universal "rearmament" and of consequent capitalist "prosperity" amid which we live today, represents the most obvious example yet afforded by capitalist evolution both of the socially atavistic historical rôle of the capitalist system and of the decisive rôle exerted by the State as a factor in economic life. For whereas the feudal wars which marked the dissolution of the mediaeval social order were financed as well as waged by the feudal nobles themselves, it has always been an essential characteristic of capitalism that it wages no wars in its own name, but shelters behind the State, its war-making instruments. In the present phase of "totalitarian war," this aspect of capitalist social evolution takes on an entirely new character and importance. The economics of war time are extended to that armistice between wars, which is in actuality all that "peace" amounts to in that "unity of theory and practice."

The relations of the state and the war machine have passed through three successive stages. Prior to the 20th century, war,

unless actually waged on the spot, scarcely concerned the broad masses of the population. Thus the battle of Marston Moor, the turning point of the civil war in England (1644) interrupted a local shoot whose participants had no idea that a battle was in progress a few miles off. Readers of Jane Austen must be struck with the paucity of references to Napoleonic Wars, the world-wide conflict then raging.

A century later it was very different. In the World War of 1914-18 a new phenomenon, wartime State capitalism, made a spontaneous appearance, everywhere. The war fought "for democracy," in fact, created the economic forms of fascism.

The present rearmament "boom" indicates the appearance of a yet more advanced form of State conducted capitalism. Today it is no longer war-time capitalism that requires the direction of the State. This direction now extends to the period of "peace," i.e., to the period of preparation for war, the sole function of peace according to the theory of the Totalitarian State. (The famous definition of the Prussian military philosopher, General von Clausewitz, "war is the continuation of politics by other means," must now be amended to read: "Politics is the preparation for war by other means.")

This relationship is now virtually coextensive with the capitalist world, that is, wherever States exist that can aspire to play at "power politics." (Only in countries like Norway or Iceland does capitalism correspond in any degree with the non-militaristic, non-bureaucratic type of capitalism which Marx indicated as being typical of England, the land of classical capitalism in the middle of the 19th century). In England today, it holds good as much as in the most militaristic or fascist country.

I have already had occasion to remark on the flexible political character of the British ruling class. That flexibility is in full evidence today. The same "National" government has passed from Free Trade, the relic of classic Victorian liberalism, to pre-war State capitalism of the most up to date "fascist" type. What is even more remarkable is the virtual absence of any opposition to this process. The Gibbon of the future who comes to write of the "Decline and Fall" of the British Empire, will not omit the interesting fact, that, not merely did British "Socialism" wholeheartedly support an imperialistic world war of the bloodiest type, but it added insult to injury by assisting to lay the economic foundations of effective fascism to the accompaniment of an unprecedented torrent of anti-fascist vituperation.

The armaments boom represents in essence a new variant of capitalism; the evolution of capitalism from monopoly to super-monopoly, i.e. State capitalism. In Britain this process leaps in the lifetime of a single government (1931-8) from 19th century classical (free trade) capitalism to a totalitarian state of the most up to date kind, in which the life of industry depends on the state, peace is regulated and conditioned by war, and opposition is only legal because it does not exist in more than negligible quantity.

BRITAIN is enjoying a boom today. It is not the "normal" boom brought about by the beneficent play of economic forces so dear to the classical economy of 19th century capitalism. It is a boom due to rearmament. Its immediate dynamic and stimulating cause is the 1500 millions sterling voted by the British Parliament for the defense of "democracy" in another world war. It is the spread over of this not inconsiderable sum that has stimulated trade and reinvigorated British industry by finding work for the workers—preparing to kill the workers of other lands. Incidentally, such organs as the *Daily Worker*, and such economic "experts" as Allen Hutt (author of *This Final Crisis*) must be gratified by the ability of British capitalism to

find this paltry sum some years after its "final collapse" in the last slump, as was infallibly predicted by the Pope of the Kremlin and his English followers.

Why, and for what purpose, is Britain rearming? Ostensibly, so as to be in a position to safeguard democracy effectually: so as "to look the fascist tiger firmly in the face." Actually, to safeguard the British Empire and the world position of British capital, so inextricably bound together. This Empire is today threatened as never before throughout the three centuries during which it has evolved. For the second time in its history, the British Empire has to defend itself simultaneously in two hemispheres. And the British ruling class has, no doubt, not forgotten that the only time it ever had to fight such a war before, in the American War of Independence, it sustained a first class defeat. It is extremely unlikely that it could or would survive such a defeat again in the changed circumstances of the modern world.

That an Empire on which the "sun never sets" is apt to be a strategic liability has been surmised by navel specialists ever since the publication of Admiral Mahan's masterpiece: *The Influence of Sea Power on History*. It is now beginning to dawn on the consciousness of the British ruling class that the unthinkable may, after all, happen; that Britannia may not rule the waves for ever; that the parasitic tribute which the rulers of Britain, the classical "eaters of surplus value," collect by right of political and economic conquest from the four quarters of the globe, may before long incontinently cease. To avert such a catastrophe, action must promptly be taken. What, after all, is a mere 1500 millions when set against such an irrevocable disaster to—democracy?

Against whom is the rearmament programme directed?

Against whom will the raw materials, now manufactured with feverish haste by the British workers, be used in the form of finished products? By and large, the answer to this question is: "Anywhere that British imperialist interests require them." When, however, we descend from the general to the particular, the question is not so easy to answer.

At first sight, it would appear obvious that the danger which immediately threatens British imperialism comes from the hungry empires, the young and lusty imperialism of Germany, Italy, and (particularly at the present time) Japan. It would seem at first sight that the obvious thing for the British government to do would be to reconstitute the pre-war Triple Entente—England, France, and Russia—and then fight a defensive war on behalf of the "democratic" and versus the "fascist" nations.

After all, if the Tsar who sent Stalin to Siberia could become one of the corner stones of war-time democracy, why not also the Red Tsar?

Some such alliance will probably transpire in the near future. The open Japanese bid for the hegemony of the Far East has undeniably provided a powerful incentive to that course of action. Hitherto, the chief obstacle to an Anglo-Russian alliance has lain in the obstinate conservatism of an influential section of the conservative party. Colonel Blimp still fears to march side by side with the "Red" Army, and the Archbishop of Canterbury is naturally concerned with the substitution of Stalin for God. But as has been indicated, the conservative party does not take its orders from its mental back-wash. Such men as Winston Churchill and Sir Robert Vansittart know as well as anyone else that one cannot be too squeamish about "the old school tie" when it comes to the life and death grapple of empires.

Churchill has in any case discovered that Stalin, if a "Marxist," is the type to which Marx prophetically referred when he thanked heaven he was not a Marxist. It seems probable, therefore, that the "two greatest Asiatic empires" will, before long, join hands,

and we shall shortly fight a doubly holy war for democracy and socialism; and no doubt the baton of a marshal of the Red Army, rendered vacant by the death of the late and unlamented Marshal Tukhachevsky, will shortly be conferred as a mark of amity on that exalted "friend of the Soviet Union," King George the Sixth. (If so, there will be, no doubt, a quid pro quo for Stalin, and his papal legate, Mr. Harry Pollit of the CPGB, should become a scout-master at the very least.)

That British imperialism, despite the opposition of its die-hard Tory element, will eventually line up in the camp of "anti-fascism," is virtually assured by the attitude of the Left parties. The Labour Party, despite its muddled policies, could scarcely retain the confidence of the masses, so essential to every reformist party, if it openly acted as a bailiff's broker for the "national government" in a war against Russia on behalf of the "Fascist International"; even if we can imagine British Imperialism to be willing to act in a manner so hazardous to its own interests. The "anti-fascists" have done their work so well that the British workers would hardly support a war on the same side as fascism; and without the support of the industrial workers no life and death conflict involving the severest strain on a nation's economic and productive forces, can possibly be waged under modern conditions.

Willy nilly, therefore, British imperialism will be compelled to line up on the side of democracy, i.e. the status quo; a line up which reflects its own world interests as the greatest of the possessing powers. It is a modern variant of the situation satirically described in *The Communist Manifesto*: "The capitalist is a capitalist (bourgeois)—for the benefit of the working class."

It is, in fact, not a little curious that British "socialism" is today more in line with the real interests of British imperialism than are the British conservatives. In its attitude to foreign policy, as in its hankering after State capitalism, the Labour Party reveals itself as the most up-to-date of British political parties in respect to the present evolution of British capitalism. With regard to the present pre-war crisis of British Imperialism (the existence of which imperialism is a valuable asset in the composition both of reaction and reformism), the Labour Party may be defined as an opposition which has ceased to oppose. The Totalitarian State is already here—with the fullest consent of the Opposition, whose leader, Major Attlee, has just been granted, for himself and his successors in the office, the salary of a high official under the crown (2000 per annum.) There is quite a lot to be said for the British method of introducing fascism on the installment system (with all the "inevitability of gradualness") as against the more spectacular continental methods of Mussolini and Hitler.

Thus we observe that the war policy of the British State constitutes an epoch in British political and economic history. However Britain and the British Empire may fare in the second World War (however delayed by mutual fear on the part of the rival empires), Britain will never be the same again. Gladstonian liberalism is as dead as Gladstone. The "war for democracy" bids fair to end in fascist State capitalism, already in the process of formation.

To the socialist, however, the interests of socialism are paramount. It remains, accordingly, to consider the possible effects of the coming world war on the growth of a genuine socialist movement in Great Britain, as distinct from the movement for the collectivization of capital which has hitherto so arrogantly assumed the name.

RADICAL THEORIES IN SPANISH WAR

• Roberto

BESIDES offering to the armament makers of Europe the conditions of experiment and trial for some of their latest products, Spain has been a proving ground for a number of political programs current in the European labor movement.

By July 19, 1936, there existed in the country the following "labor" groupings: The Socialist Party of Spain and its trade union base (the U.G.T.), the Communist Party, the Party of Marxist Unification (P.O.U.M.), the Syndicalist Party of Angel Pestaña, the Anarchist Federation of Iberia (F.A.I.) and its trade union base, the C.N.T.

The Socialist Party of Spain by 1933

The Socialist Party—the Spanish Social Democracy—was an organization composed of industrial and agricultural workers, the city and rural small-propertied and members of the "professional classes." It had "left" and "right" wings, which disputed between themselves the control of the U.G.T., the Social Democratic trade union federation. The "right" wing, headed by Prieto, was supported by the workers in the large scale industry of the Northwest, by the Asturian Miners and many "professionals." The "left" wing of the Party recognized the captaincy of the old trade union leader Largo Caballero, the dominant figure in the U.G.T. By 1930, Largo Caballero had been adopted by the leftist Spanish intelligentsia, who under the influence of the depression and the "socialist" successes of the Soviet Union had taken to what is referred to in literary Bohemia as Marxism-Leninism and started to dream of the possibilities of achieving in Spain a social change similar to that accomplished in 1918 in Russia. We should not omit mention of the "right" Social Democratic intellectuals who found inspiration in the lectures and writings of Professor Julian Besteiro.

The Prieto wing emphasized in the Party program measures for the immediate amelioration of the lot of the workers and small-propertied within the framework of capitalism. It wanted to have the Party aid in carrying out a number of necessary national reforms, without endangering, however, the existence of the Republic by antagonizing by hasty and impulsive action the numerous conservative and reactionary elements of the country. It was for a solution of the agrarian problem, for the economic development of the country, aided by the institution of government control and ownership wherever practicable. The left wing stood for about the same thing, but stressed the need of more extensive government ownership (backed by the trade unions) and spoke of accomplishing the national transformation swiftly and boldly.

The leftist intelligentsia (of which Luis Araquistáin, editing *Futuro* was the outstanding personality) decorated this general program of the collectivization of capitalism within Spain with verbal comparisons with the Russian Revolution and apposite quotations from Lenin. Just as Araquistáin and his youthful circle taught Marxism-Leninism for the bolder, more militant Social Democrat, so Professor Besteiro supplied "Marxist theory" in support of caution and reasonable action.

Right and Left, the Socialist Party of Spain was the party of the modernization of undeveloped Spain. Judged by its program and goal, it had about the same historic role as the Social Democracy of Russia, the People's (Kemalist) Party of Turkey,

the Kuomintang of China, and other "socialist," that is, progressive, political movements arising in backward countries. The "right" and "left" division in the Spanish Party was similar to the division into Mensheviks and Bolsheviks in the Russian Social Democracy. Of course, the Spanish Socialist Party was more of a workers' party than the Social Democratic Labor Party of Russia. Bearing Lenin in mind, Araquistáin and his revolutionary intellectuals saw in Caballero's worker following an instrument that could be used in achieving the political change they had in mind. Somewhat like the Russian Mensheviks, Prieto's group defended the democratic content and gradualness of their "socialist" program.

There were obviously important historic differences between the Spanish situation and Russia before 1917. The monarchy had been overthrown in Spain and a "republic of all the workers" instituted. The thing now was to capture this republic for the program of the Socialist Party of Spain.

Both the right and left sections of the Party provided for these differences. Violent means would be used only when the Republic was in the hands of the "reactionaries." (Indeed, Russian Menshevism and Bolshevism did not disagree on the question of the use of violent means. There was no other recourse against Tsarism.) There was no serious talk of "soviets" in Spain, either by the rights or lefts. Against criticism from the far left—the Communists—Araquistáin quoted Lenin's *Two Tactics of the Social Democracy* to support his contention that what the Bolshevik Party did in Russia with the aid of the popular soldiers' and peasants' councils, the Spanish Socialist Party, dominated by its left wing, would accomplish with the aid of the U.G.T. and the peasants' associations. And he pointed out that the *ayuntamiento*, the traditional Spanish municipal organization, was on hand as the ready unit of a political administrative system that would perform in Spain the same function as the soviet pyramid in Russia.

The Communist Parties in Spain by 1933

Observers addicted to the special word system developed by the Communist International said that "to the left" of the Socialist Party of Spain stood the Communist Party.

This organization was a product of the enthusiasm evoked by the Russian Revolution. The Communist Parties in France, England, Germany and Central and Southeastern Europe were cultivated by the Russian Bolsheviks with the specific purpose of aiding in the defense of the Soviet Republic. For some time after the Bolshevik seizure of power the possibility of intervention by the Western powers appeared to be on the order of the day. Intervention could be best offset by promoting revolutionary agitation and outbreaks within the territory of the interventionists.

In Spain, a Communist Party could not fulfill this function. There was no need of that. Consequently the Spanish Party received little attention from the central office in the Kremlin. However, all turns of theory and practice represented by the palace revolutions occurring in the upper levels of the Communist Party of the Soviet Union were faithfully registered in the Spanish Communist Party as in the other component organizations of the C.I. When Trotsky was expelled from the Russian Party, a Trotskyite group was thrown off in Spain and called itself the Communist Left of Spain. When Stalin severed his alliance with Bukharin, the commissioned representatives of the Russian center expelled most of the apparatus of the Spanish Communist Party as rightists. The latter then reformed under the leadership of the former Party secretary Maurin, nationally as the Communist

Opposition and in Catalonia as the important Workers' and Peasants' Bloc. Similar expulsions and similar reorganization of the expelled groups took place everywhere else in the C.I. universe, producing Brandlerites in Germany, Lovestonites in the United States, etc., etc.

In 1931, when the Republic was established, the Communist groupings in Spain owned up to the same differences in theory and practice that characterized similar groupings in the rest of the C.I. orbit. All the official Communist Parties were then in the "third period." The Social Democratic organizations were denounced as "social fascist." World capitalism was about to collapse. Only the ministrations of the Social Democratic "mis-leaders" kept it from crashing on the spot. The masses were being fast "radicalized" by the economic crisis. They would soon rise in a "revolutionary upsurge" to repeat in their respective countries what happened in Russia in 1918. (We must not for the moment suppose that this was believed by the Soviet masters. However, the boogymen game suited their politics at that time.) Under the direction of the Communist Party, the workers and poor peasants in England, the United States, France and also in Spain, would rise and form soviets and take over the power of the State. Under the direction of the Communist Party, the "proletarian dictatorship," a replica of the Russian dictatorship, would then be established. All that was necessary was to unmask the treacherous role of the Social Democratic mis-leaders, to take away the leadership of the masses from the temporizing and treacherous Social Democracy, and the revolution was made.

This unreasonable optimism was criticized both by the Right and Left Communist oppositions, which devoted most of their activity to attempts to "reform," to bring to reason, the official Communist Party. The antics of the official Communists were slighted by the working people, small-property and intellectuals within the Socialist Party of Spain. The latter, together with most of the population of the country, were then concerned with the problem of overthrowing the monarchy and the establishment of the Republic. The official Communist leftism of that period was voided as an influence on the Spanish intelligentsia by the Leninism of Araquistáin and his circle. The dualistic trade union organization sponsored by the Communist Party fed originally on the C.N.T., the Syndicalist Labor Federation. But even here the known intransigent militancy of Spanish syndicalism stood in the way.

(The larger installment that will appear in the next issue deals with 1. the past of the F.A.I. and C.N.T., 2. the formation of the P.O.U.M., 3. the changes in theory and practice undergone by the Socialist and Communist Parties of Spain by 1936, 4. the Civil War.)

TO OUR READERS

BECAUSE we had devoted a part of our fund to the publication of Martov's *State and Socialist Revolution*, we were not able to issue this number before the end of July. The delay also obliged us to change the contents slightly. We hope to issue the next number by the end of September and thus fulfill our quota of six issues for the year 1938. You can help by contributing to the I.R. Sustaining Fund and by getting us some new subscribers. A specimen copy of the magazine will be sent to anybody whose name and address you supply.

The promise of a new article on Trotsky's 1938 Re-shooting

of the Kronstadters brought us an avalanche of letters of protest and comment. A number branded us as "Trotsky baiters." (The same trick is used by the official Communists to check criticism). Others wrote they thought we had all had enough of the Trotsky issue. Still another pointed out that "Trotsky's and his lieutenant-colonels' argufication in justification of the shooting down of the Kronstadt sailor prisoners and his Bolshevist pretensions" had been answered adequately in Nos. 8 and 9, 1937. "Have these issues sent to poor Trotsky before he shoots off some more threats to take care of us counter-revolutionaries without fortresses."

We received one letter containing a strange proposal, to which we agreed immediately. The writer insisted that the new article be shown to Trotsky so that he answers it in the same issue of the *International Review*. The writer offered to act as intermediary. We therefore sent him our new study of the Trotskyite movement and expect to have it appear together with the Peerless Leader's own comments in the next issue of the *International Review*.

The following number of the magazine will also contain the following articles:

1. *Production and Income in Socialism*, which will consider critically the recent works on the subject: *Socialism* by Ludwig von Mises, *On the Economic Theory of Socialism* by Oscar Lange and Fred M. Taylor, and *The Economic System in a Socialist State* by R. L. Hall.
2. A study of the *C.I.O.: Rise, Achievement and Future*.
3. *Mexico: What Now?* by Tinoco Davila.

* * *

The State and the Socialist Revolution by Martov is now on sale. Have you read Lenin's *State and Revolution*? Read now Martov's work and you will begin seeing through things.

* * *

The second issue of *International Review of Music*, Brussels, containing an account of the "musical politics" of the Nazi régime and a criticism of the Nazi outlook on music, will appear toward the end of August. "It appears that in several countries besides Germany the urge is being felt toward emulating the German example."

THE RISE OF FASCISM

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DID THE FASCISTS SAVE ITALY from BOLSHEVISM

"The post-war 'neurasthenia,'" writes Salvemini (*Fascist Dictatorship*, page 40), "was called 'Bolshevism,' because the Russian Revolution had made 'Bolshevism' the fashionable word. Everyone called himself a 'Bolshevist' but no one knew what 'Bolshevism' meant. For ninety-nine out of a hundred of the Italian post-war 'Bolsheviks,' their 'Bolshevism' was nothing but an *incoherent protest against the aftermath of the war and the high cost of living*."

Upon the termination of the World War, the war industries, which had grown tremendously during the conflict, closed down. They could not be easily replaced by peace industries because of the shortage of raw materials, especially coal. The situation grew worse when the lira, no longer propped up by France and Great Britain as it was during the war, fell bottom-low. The result was an aggravated economic crisis, wide unemployment that was made worse by the demobilization and the rise of

prices. City and country workers, and those employed in government services, struck to meet the rise in prices. In places they occupied the factories and offices to make their action more effective. At the same time there began the "land raid," the seizure of land by "leagues" of ex-service men, who marched in their raids with the Italian flag to the sound of patriotic music. Some raids were undertaken by Social Democratic and Syndicalist organizations, but "the great number were carried out by ex-service men who had nothing to do with Socialism." "Those who seized the land always undertook to pay an annual rent to the owner." (Salvemini, page 28.) Such was the post-war "Bolshevism" in Italy.

It is true that for two years after the War the example of the Russian Revolution continued to exercise an influence on the phraseology of the purely political section of the Italian Labor movement. However, the reasons for the occupation of the factories and the seizure of land were entirely local. The new Communist International, with its insistence on a rigid imitation of the Russian model, had merely a bewildering influence on politically-minded Italian workers. Finally, at the insistence of Lenin and Zinoviev, the Italian Social Democracy, which had almost in toto received the Russian revelation with joy and whole-hearted faith, was split to make possible the production of a simon-pure, Russian-like, little Communist Party.

None in 1919-1920 in the period of Italian "Bolshevism," had contributed more to the "revolutionary" frenzy which led to the occupation of the factories and seizure of land than the Fascists, with Mussolini at their head.

The first sit-in strike, the occupation of the Franchi-Gregorini metal works by 2,000 workers in Dalmine, was promoted by the Fascists. Mussolini himself travelled to the plant to address the strikers. And he wrote in his *Popolo d'Italia* of April 1, 1919: "The Dalmine experiment is of the greatest value as showing the potential capacity of the proletariat to manage the factories themselves."

The Fascists, with Mussolini at their head, applauded the post-war seizure of land. Mussolini gave his full approval:

"The peasants who rise today to solve the land question must not meet with our hostility. They may perhaps commit excesses, but I beg you to remember that the War was fought by peasants." (Quoted by Salvemini from Giacomo Matteotti: *Il Fascismo della prima ora*.)

The Fascists, with Mussolini at their head, promoted the food riots that swept many Italian towns in 1919. He wrote in his *Popolo d'Italia* on July 4 of that year:

"In Romagna the people have revolted vigorously against the greed of the speculators and have already succeeded in obtaining a great reduction of prices . . . We are witnessing the revolt of the working classes against those primarily and directly responsible for the intolerable food situation. It is not the Socialist Party which has provoked and directed these demonstrations. It lacks the will to lead a movement which may disrupt the parliamentary game of trickery, past and present. For our part we explicitly affirm the fundamental justice of popular protest."

As soon as possible the Fascists, with Mussolini at their head, took the occasion to counsel mob violence. Thus, we find him saying in the July 5, 1919, issue of his paper:

"I hope that the masses in the exercise of their sacred right will strike at the criminals, not only in their goods, but in their persons. A few food-hogs hanging from the lamp-posts would be a good example. The Fascist Central Committee proclaims its absolute solidarity with the masses who have risen against the famine-makers, welcomes the movement of requisitioning by

the people and pledges the Fascisti to promote and support the agitation."

In connection with the general railway strike of January 1920, the Fascist organ declared:

"After so many years of Socialist domination these strikes are the first which have been planned and carried on outside and in spite of the tyrannical will of the Socialist Party. The days of working-class violence have a reviving value and are a thousand times superior to the paltriness of the mischief-mongers."

During the post-war period of Italian "Bolshevism," Mussolini and his followers "poured their scorn," notes Salvemini, on the leaders of the General Confederation of Labor and the Maximalists and "Reformist" Social Democrats, calling them "mock revolutionaries," "inefficient revolutionaries" and scabs. (The language is the same as that used by the Russian Mussolinis in 1917-1918 against their Menshevik and S.R. rivals.) He was urging the "masses" to overthrow the "weak and worthless government," to make a revolution.

Mussolini, of course, realized that revolutions are not made by "revolutionary parties" but by the "masses." Only two years later, when the outlook of the masses veered, was his "revolutionary party" able, by transforming its program to suit the changed outlook of the masses, to manipulate the latter in its behalf and become the instrument by which the "weak and worthless" government was overthrown.

"Today," wrote Bianchi, one of the representative Fascists in 1919, "we say the occupation is a formidable mistake *unless the organizers* know how to use it as a stepping stone to another and infinitely vaster scheme. Must it be used for a social upheaval? If so, it would be a proof of admirable political sense and would be logical." (Giacomo Matteotti: *Il Fascismo della prima ora*, pp. 59-63. Quoted by Salvemini.)

In 1919 the Fascists called on the laboring people, workers and peasants, to seize power and establish a "revolutionary, proletarian government." This revolutionary government would, in accordance with the Fascist program, contract a war alliance with other "proletarian" nations, such as Russia, Germany, Hungary and Bulgaria, which were in throes of similar "Bolshevist" upheavals. Thus the "National Constituent Assembly" ruling Italy (of course, under the protection and guidance of the "revolutionary, vanguard" Fascist Party) would be the Italian section of the "International Constituent Assembly of the Peoples of Europe." (Carlo Avarna di Gualtiere; *Il Fascismo*.) Mussolini let drop words about the need of a "revolutionary war" by the mentioned oppressed nations against the "plutocratic and capitalist" France, England and the United States.*

During the period immediately following the war, it was the small coterie of Fascists, "professional revolutionists" as good as any, who could pride themselves on being the most "Bolshevist" of all. And that they were, though they carried on bitter fist and tongue fights against their pro-Russian rivals. The Fascists changed their program, but not their tactics, when, after two years of strikes, factory occupations and land seizures, a weariness, a yearning for economic stability and a chance to get more to eat, descended on the Italian people. The workers wanted work. Instead of the ineffective and functionary-ridden "land leagues,"

the peasants wanted individual enterprises through which they could get something substantial for their efforts.

"Mussolini was quick to size up the new situation. From the end of 1920 onwards, he no longer attacked the Socialists (that is, the Italian Social Democracy) from the Left, calling them ineffectual revolutionaries. In 1921 he began to assail them from the Right, calling them revolutionaries of a most dangerous kind." (Salvemini, page 52.)

The aim of the Fascists was to get political power. (The fundamental programmatic aim of Italian Fascism and its "historic significance" are analyzed in following pages.) To attain this aim, they picked up and used all means available. They suited their "immediate" program and slogans to the prevailing outlook of the population. It was violent "revolution," "anti-parliamentarianism," sovietism, in 1918-1920. (The name "Fascist" comes from "fasci," the traditional "spontaneous" soviets of the Italian peasant rebels.) It became "law and order" and "save the country from Bolshevism" after 1920. The same violence that the Fascists exercised against their opponents for "revolutionary, proletarian" reasons, they now showed to them in behalf of the "national salvation of Italy." The Fascists' influence was negligible in face of the rivalry of other revolutionists, such as the Maximalists and the Communists, who received the stamp of approval from Moscow, the recognized Vatican of the revolutionarism in fashion. The Fascists of "the first hour" were in fact, only a general staff with a very small army. But the rank and file grew numerous as the "Bolshevism" of the first two post-war years died away in a general desire for social peace and paying jobs.

Mussolini wrote in the Fascist organ (*Popolo d'Italia*) on December 31, 1920:

"It is honest to add that during the last three months—to be exact since the referendum which led to the ending of the occupation of the factories and since the return of the Mission sent by the Italian trade unions to Russia—the psychology of the working classes in Italy has changed profoundly. The wave of idleness seems to have died down. The working masses seem convinced that the fundamental problem of the movement is that of production. A clear symptom of this state of mind is the comparative ease with which agreements lately have been reached after peaceful negotiations in the important trades of textiles and chemicals."

The close of 1920 is featured by the slow but definite improvement of the economic situation, the disillusionment of the politically interested workers on the score of Russia, the beginning of an exodus of workers from the traditional labor unions, the bankruptcy of the top-heavy peasant land-leagues of the North and a general hankering of working farmers for a change to uncontrolled individual enterprise.

The Fascist Party bridled and rode this reaction to power. It is the Fascisti — that is, the Fascist radical intellectuals that formed the general staff of the movement during its several changes of immediate program and rank and file—who were the real Bolshevists of Italy, and not the Maximalist and Communist masqueraders. They, the Fascist professional revolutionists, resorted to the means which, in light of the situation, were most likely to get them into power. Their means were justified to them by their general aim. The traditional labor organizations glorified the working class, the "proletariat," in a country where, because of the influence of numbers, not the proletariat typical of advanced capitalism, but the urban and rural petty bourgeois, would be most influential in a deeply moving political transformation.

* Victor Serge, styling himself as "today the sole survivor among the early administrative staff of the C.I.," writes: "The first days of the International were days of heroic camaraderie. We lived in boundless hope. There were rumblings of revolution in the whole of Europe . . . Mussolini and his gang had offered their services. Should they be accepted?" (From *Lenin to Stalin*, page 34.) We are sure that sitting at his C.I. desk in 1919, Serge did not refer to Mussolini's "fasci" as "gangs" but "councils of revolutionary workers" or something like that.

Mussolini continued to pour sweet praise on the "workers," using the term in the same general sense as it was used by the Nazis and by the Bolsheviks.

"Rearmed," realigned, in 1921, to suit the altered situation, the Fascists accomplished their revolution by putting themselves at the head of the vast *piccola borghesia* of Italy.

Indeed, the new Fascism was subsidized by the industrialists, landowners and bankers. (It also accepted this money when Fascism was ultra-revolutionary.) That was because the Fascists, in their desire to beat down their political rivals, were smashing the old unions and the land leagues, which were dominated by the others. The Fascists were lifted into power on the crest of a general desire for "social peace," and that is what the owners of property also wanted. The reaction from post-War Italian "Bolshevism" not only transformed the Fascists and made the Italian men of money more liberal with donations, it also affected the industrial and agricultural workers. That, even more than the violence of the Fascist bands, accounted for the collapse of the old trade unions and peasant organizations and the rise of "Labor Fascism" (Fascist trade unions) and "Agrarian Fascism" (Fascist peasant organizations and land cooperatives). Even the Italian workers and the very radical Italian peasants of the North had lost faith in their old organization. They wanted to make a living.

(This is the third article on "The Rise of Fascism." The following issues will contain the following articles on the same subject: "The Roots of Nazism," "Hitler Saves Germany," "Where Fascism Arises," "The Historic Meaning of Fascism.")

BOLSHEVISM AND THE WORKING CLASS • Sprenger

A Proletarian Party?

ZINOVIEV well described the attitude taken by the revolutionary intelligentsia of Russia toward the proletariat of their country when he observed that the student youth of 1900, seeking to find a mass power "by which to overthrow the Tsarist autocracy, convinced themselves with every step they took that the working class was the force holding the hammer that could be used to smash Tsarism." (*History of the Communist Party of Russia*, page 66.)

The Russian Social Democracy arose outside of the proletariat. Lenin assigned to the Social Democratic Party the task of becoming the "ideological leader" of the proletariat, whose class struggle it was to "support." He wrote in 1897:

"If the army of the proletariat proves itself to be consequent and struggles, under the leadership of a strong social democratic organization, for its economic and political liberation, then the army itself will show to the generals the methods and means of action they are to use." (*Collected Works*, Vol. I, page 376.)

The social democratic generals were expected to learn something from the proletarian army under their command, but they were, nevertheless, going to remain generals.

And generals the Bolsheviks always felt themselves to be. Lenin wrote in 1901:

"The working class is already in motion. It is prepared to follow the socialist leaders, but the 'General Staff' has not yet succeeded in organizing a strong body of picked troops, who

would correctly dispose of all existing forces of the class-conscious workers." (*Collected Works*, Vol. VI, Part 1, page 44.)

Expressing itself even more to the point than the "old man" a provincial social democratic committee of the time declared in its table of principles, as reported by Axelrod:

"Inasmuch as under present conditions a forcible overturn in Russia can only be accomplished with the aid of the proletariat of our large industrial centers, which is ready to obey and begin the uprising, we consider our most important task to be the organization of the working class."

In his Party history Zinoviev notes the following about the Revolution of 1905:

"... there was on hand a body. It was necessary to stick on it a head. The Party therefore had to mingle with this mass in order to take in tow its general movement and lead it on the historic path of the working class." (Page 114.)

And we finally have the utterance of Stalin himself, who discoursing on the *Problems of Leninism*, writes: "The Party is the General Staff of the proletariat." (Vol. I, page 149.)

Already in 1897 Lenin noted that the role of the intelligentsia made "superfluous the presence of outstanding intellectual leaders in the (labor) movement." He meant to say that he did not want to have the "intellectual leadership" segregated within the social democratic organizations but thought that the latter ought to make some connection with the workers.

This problem especially engrossed Lenin's attention during the Iskra period, when his ideas on party organization took shape. He pointed out at that time that the "material elements" of a spontaneous movement had "grown enormously" but the "goal-conscious leaders," the Social Democrats, lagged behind.

"The spontaneous mass movement lacks 'ideologists' that are sufficiently prepared theoretically and thus made safe from any deviation. It lacks leaders with great enough scope of vision, with enough revolutionary energy and organizational talent, to create a political party that could function on the basis of the new movement." (Vol. IV, Part 1, page 99.)

And he wrote in 1902:

"The movement must be led by as small as possible a number of as similar as possible groups composed of experienced and tried professional revolutionists. There must participate in the movement as large as possible a number of as varied and multifarious as possible groups, representing the different strata of the proletariat." (Vol. V, page 267.)

The "whole art of conspirative organization" consisted, according to Lenin, in "making use of each and all," "in giving work to all and each," but, at the same time, maintaining leadership over the entire movement." (Vol. V, page 259.)

The professional revolutionary conspiratorial organization had to maintain itself above the struggling mass and lead it. Developing this idea, in opposition to Trotsky, at the Party Congress in London, Lenin said:

"The Party must be the vanguard, the leader of the broad mass of the working class. The latter acts entirely (or almost entirely) 'under the control and leadership' of the Party organizations, which, however, do not all belong to the Party nor need to belong to it." (Vol. VI, page 34.)

And after the Party Congress, Lenin declared that the "entire class" must act the leadership of the Party and be brought as close to it as possible:

"Not the Party should envelop the conspiratorial organization ... but the revolutionary class, the proletariat, must envelop the

Party, which contains in itself the conspiratorial as well as the non-conspiratorial organizations." (Vol. VI, page 265.)

The party that Lenin wanted to create was to be a conspiratorial, "leader" organization, which, with the aid of the "professional revolutionists," would fashion a wide net of party organizations, ranging "from the narrowest and most conspiratorial kind till the broadest and least conspiratorial." (Vol. VII, page 408.) But the "masses" were to "cover," envelop the party.

The party center as the general staff; the local committee as officers; the party membership as lower-rank officers; the mass of workers as the army acting under the command of this military-political apparatus. That is the organizational picture of the Bolshevik Party, a picture that discloses the peculiar relation of the Bolsheviks to the working class. Their party was a workers' party only in the sense that it wanted to put the mass of workers under its orders.

The Role of the Worker in the Bolshevik Party

In 1905, Lenin set himself energetically to the task of bringing workers into the Party organizations. He attacked the limited activity of the Party "committees" and warned that the Party would collapse unless new organizations were created.

The "committees" arose as a result of the peculiar manner in which the work of the Russian Social Democratic Labor Party was carried on. Up to 1903, there existed in the Party a definite separation between the intellectuals and workers. We read in the report of the Russian delegation to the International Socialist Congress of 1904:

"In accordance with the distinction drawn between 'workers' committees and 'intellectuals' committees, the first merely had the function of an executive organ for the latter." (Page 46.)

In other words, the workers in the Russian Social Democratic Party were considered the political handymen of the revolutionary intelligentsia. It was especially because of this that the Social Democracy of Russia was not able to keep up with events in 1905. According to Martov's testimony, the great number of Russian workers stayed away from the Social Democratic organizations because they were not allowed there an equal say with the intellectuals. As a result, the workers preferred their trade organizations, where they had wide opportunities for self-activity and found themselves in the current of the immediate class movement. The more obvious this became, the more Lenin pressed the need of a change on his Party. Thus he wrote in a letter to Bogdanov and Gushev that "all those who permit themselves to hold that there are no 'persons' there (in the workers' trade organizations) should be stood up against the wall." (Vol. VII, page 145.) He demanded that the Social Democracy create a new channel for the "new currents of the social movement." For every delay served the enemies of the Social Democracy. The new currents sought a way out. If they did not find the Social Democratic channel, they would flow into a non-Social Democratic channel. (Vol. VII, page 208-209.)

In this manner, Lenin developed the theory that there could be no conscious proletarian mass movement without the leadership of the Bolshevik Party. The mass of workers were politically blind. If the Social Democracy possessed a big enough apparatus, it could possess itself of the great current of the workers' movement. Otherwise, the latter would be drawn away into a different political channel by other forces. In any case, the worker mass was the *object* of any "leader" organization that was aware of its goal. Only the latter, the intellectual leaders, could be aware of a goal.

This was the meaning of Lenin's demand, in the autumn of 1905, for the "Party education of the proletariat and the union of the proletarian vanguard with an effective political party." He was quite dissatisfied with the results of the work of the Social Democratic organizations up to then. He said there was the need of including workers in the Bolshevik organization. Why? Because otherwise the Bolshevik leaders could not, on account of conspirative and psychological reasons, come in direct contact with the masses. Lenin intended, however, to keep strictly apart, in the new, inclusive Party organizations the respective status and tasks of the intellectuals and workers.

"The intellectuals are good at solving questions 'of principle.' They are good at drafting plans and supervising the execution of plans . . . The workers busy themselves with the application of gray theory in living practice." (Vol. VIII, pages 514-515.)

In brief, the intellectuals were to continue to be the "leaders." The workers drawn into the Party were to continue to act under the command of the intellectual leaders. This was Lenin's position on the role of the workers in his party.

The Organization of the Revolutionaries

In his pamphlet *What Is to be Done?* Lenin described the difference between political and trade union organizations as a difference between "revolutionary" organizations and "worker" organizations. He said that no distinction was to be made between workers and intellectuals. But since the Party "had to consist primarily" of persons "whose profession was revolutionary activity," he excluded the workers as definite and direct agents of Party activity. It was ten times easier for an intellectual to become a professional revolutionary than for a worker. The latter was really torn out of his class milieu when he was "chosen" by the Party. So that, in practice, Lenin tore up the unity he had emphasized in his organizational draft and showed to the workers a second-rank place in his Party. In *One Step Forward, Two Backwards*, Lenin classified all organizations in accordance with the following categories, ranking them by their composition and the degree of their "conspirativeness":

"1. The revolutionaries' organization. 2. The workers' organizations. The latter should be as broad and varied as possible (I limit myself here to the working class, but it is understood that under certain conditions they may include elements from other classes). These two categories form the Party. Farther removed are: 3. the worker organizations that stand near the Party; then, 4. those worker organizations that do not stand near the Party but submit themselves to its control and direction. And finally, 5. the unorganized elements of the working class, which submit themselves to the direction of the Social Democracy at least in the important moments of the class struggle." (Vol. VI, page 268.)

Here, too, Lenin put the "revolutionaries'" organization above the "workers'" organization. The two Party categories did not have the same value for him. By providing for such "categories" in his Party, Lenin was really expressing again his principle of the "leadership" of the intellectuals. By permitting certain workers to enter his Party, Lenin wanted to lay hold, through them, of those workers who, belonging in the remaining categories of his organizational scheme, merely "submitted" themselves to the direction offered by the Social Democracy. There was no question for him of the equality of the workers and intellectuals. Such an idea is alien to Bolshevism. The provision for the mentioned five ranks in Lenin's plan shows that the workers who were included in the Bolshevik organizations

(subordinated there, of course, to the professional revolutionaries) were taken in because they were technically indispensable in the business of manipulating the masses. They were admitted into the Party because there was a technical need for them, and not because they, as workers, were meant to determine by their membership the political physiognomy of the Party.

According to Lenin, the realization of his organizational scheme would be the realization of a "proletarian principle." The disagreement that arose over the first paragraphs of the proposed statute on Party organization and led to the split of the Russian Social Democracy in 1903, he described as a conflict between "adherents of bourgeois-intellectual individualism" and "adherents of proletarian organization and discipline." (*Collected Works*, Vol. VI, page 271.) Those were clever words. The fact is that theoretically the Mensheviks represented the organizational principle of the Western Social Democracy,¹ while Lenin, though he played shrewdly with the terms "proletariat" and "bourgeois-intellectual," stood for the organizational principle that is typical of the radical bourgeoisie, the organizational principle of Jacobin revolutionism.

In view of these circumstances, the problem of "leadership" that worried Lenin's "Labor Party" was not that of how to draw the best forces of the proletarian class into political activity. The important question for Lenin and his party was (as stated in *What is to Be Done?*) the substitution of "good leaders" for "bad leaders." The working class could be influential in bringing about a political decision only by submitting itself to the "good" leaders. Therefore, the constant task of the Party was to convince the mass of the "correctness" of the Party policies. Not the development of the independent will and self-consciousness of the proletariat, but the "persuasion" of the latter, is the ideological working principle of Bolshevism, from Lenin to Stalin, from Trotsky to Brandler. The struggle over the "masses" has always been for Bolshevism a struggle against the competition of "bad," "opportunistic," "betraying," "social-fascist," "Trotskyist" leaders, who have to be vanquished, so that the "leadership" might fall to the Bolshevik Party. Policy is the business of leaders and leader organizations. They do all the thinking for the mass. *Bolshevism does not recognize a proletariat that is capable of developing and executing its "policy" independently.*

(The next issue will include the following articles by Sprenger: "Lenin's Theory of Class Consciousness," "The Worker in the Bolshevik 'Tactic.'")

¹The Western Labor Parties being, in spite of their programs, really parties of workers rather than "vanguard" organizations that propose to manipulate the working class.

PRIVILEGED INCOME IN NEW CAPITALISM • Ayres

OF THE five "factors" which, according to the bourgeois economist, are involved in the economic process of capitalism, the *entrepreneur* occupies the central position. It is the entrepreneur, the "person" who *undertakes* an economic venture for profit, (always referred to as a thing of flesh and blood, though it is at times hard to put one's finger on that individual) who takes the initiative and assumes the direction of the capitalist enterprise. He hires the workers and supervises the exploitation of their labor power. He deals with the landlord, with the money-

capitalist and the State. He assumes responsibility for the disposal of the product or services in the market. He apportions the monetized value of the product among all the five "factors" once the value of the product has been realized in money through sale in the market. He attends to the replacement of the capital of the enterprise and the renewal of the cycle of production.*

As seen more or less clearly by the wage worker, the entrepreneur is: 1. his employer, the purchaser of his labor power; 2. his boss, the director and supervisor of his labor.

The identity of the boss and employer is plainest when he is one or several persons who, at the same time, own the business, hire and fire the worker, and "boss" him in the performance of his labor. It is progressively more difficult to recognize the master of the enterprise, the immediate capitalist exploiter—

1. When the direction of the enterprise and especially the "labor" of exploiting the worker's labor power is not performed by the legal owner but by a hired supervisor or managerial staff.

2. When the enterprise is a joint-stock company, nominally owned by a host of share holders, but run under the supervision of a board of directors, sitting on the top of a varied hierarchy of managers and taskmasters.

3. When the ownership is even more widely separated from supervision, and the ownership and supervision more spread, in the enterprise that is a component part of a trust or is run by a coalition of business interests functioning through a syndicate of financial concerns.

4. When the enterprise is owned and run by the State, the apparently impersonal representative of the nation-wide coalition of business interests.

Who is the "boss" in all these forms of capitalist enterprise? Who is the exploiting "capitalist?" Whose income, as paid out by these concerns, is "wages," and whose is derived from surplus value?

Let us first consider the case of the single active businessman who owns and runs his business.

He generally furnishes part and at times the whole of his capital investment. He either owns or rents the premises on which his enterprise is located.

He is in business "for profit." He uses the word "profit" to describe any favorable result of his business operations. On his books he calls such favorable results his *gross* profits. But he must give away portions of his gross profits as rent for the land and building (if he does not own his premises), as interest on the capital borrowed, as taxes to the State. What is left is his *net* profit.

But supposing he owns his premises and does not borrow any money to invest in his business. In that case, the businessman (if he keeps his books straight) will still not consider the sums which he does not need to pay to the lending money-capitalist and the landlord, as parts of his net profit. If he did not use his own land and building for his business, he could and would rent this real estate to some other businessman. If he did not use his money in his own business, he could collect interest on it by placing it with some entrepreneur who was in need of

*What is being said here about the master of the industrial enterprise holds true, of course, for the entrepreneur of the commercial concern. The latter merely continues certain *end* activities of the head of the industrial enterprise in the sphere of circulation. We remember that the profit with which the commercial entrepreneur is concerned is only a part of the surplus value that has been produced in the industrial (productive) process but has not yet been realized in the price charged and pocketed by the master of the industrial enterprise. For the sake of simplicity of statement we shall continue to refer to the industrial entrepreneur and suppose that he realizes the entire value of the product in sale.

capital. He therefore shares in his gross profit the same way as would the landlord of his premises and the money lender. He credits himself with rent and interest at the current rates.

The businessman's profit of enterprise is therefore all that he, in his capacity of entrepreneur, has left after apportioning among the other four "factors of production"—the landlord, money-capitalist, State and worker—their shares of the new value produced by the worker's labor. It is understood that the businessman will devote a part of his net profits to the replacement of the capital of his business. What is left then is his *revenue* profits, the personal income he collects by virtue of his status as an entrepreneur, a person who undertakes an economic enterprise for profit.

We have seen where this income comes from. Like the incomes of his partners—the landlord, the lending money-capitalist, the personnel of the State—it is a portion of the value of the product of the unpaid labor of the wage worker. By what right does the entrepreneur pocket his share of the value of the product?

Capitalist economists have provided us with a number of explanations, some of which, it is interesting to note, do not merely hide the nature of the entrepreneur's income but also, by their very attempt to veil, help to identify the part of the surplus value that is not accounted for by rent, interest and taxes.

Why Profits of Enterprise

1. "The entrepreneur pockets his revenue profits as a reward for his ability to invent new models and discover new needs."

While the act of "inventing" a new means of production or means of consumption, a new implement, creates new use-value, it cannot possibly be as much value as is represented by the tribute of millions of dollars levied on society on the ground of a monopoly "right" of the holder of the patent.

It is true that some early captains of industry were designers and builders of industrial equipment and discoverers of new processes. It is obviously untrue that as a rule entrepreneurs are inventors or that inventors are entrepreneurs.

2. The gag about the discovery of new needs is really the same as the one justifying the businessman's receipt of his profits on the ground of his superior ability to find a market for his commodities. We have already pointed out that sale—finding a market for a useful article; in other words, the exchange of use-value for use-value—does not create new use-value, and therefore cannot account either for the industrial or commercial entrepreneur's revenue.

3. The most recurring explanation was first presented, in the early days of capitalism, by Richard Cantillon in his *Essai sur le commerce* (1730-1734). In its modern version, it runs something like this: "The entrepreneur takes certain risks when he ventures into his business in quest of profit. The fact that he has negotiated those risks successfully, proves him to be superior to the unsuccessful entrepreneur. The entrepreneur's revenue is the fruit of his successful risk-taking. It is his reward."

There is the suggestion here of the notion that businessmen make profits by cheating one another or their customers. Taking risks may get its rewards, but it does not create use-values. Otherwise, the highwayman would be most productive. However, it is this element of uncertainty that distinguishes (as stressed by F. H. Knight) the entrepreneur's income, his portion of the surplus value, from the incomes of the landlord, the money lender and the personnel of the State. The entrepreneur's net

profit, and therefore his revenue, is said to depend on the success of the business venture he heads. On the other hand, the entrepreneur's payment of rent to the landlord, interest to the money lender and taxes to the State is guaranteed by contract. The same may be said to be true (to some extent) about the worker's wages. The entrepreneur's own income is a non-contractual income. He makes deals with the other "agents of production" (including the worker) and contracts to pay them out certain sums. He keeps for himself the difference between the total of these payments and the gross outcome of his venture.

We know that of all the several "agents of production" it is the wage worker who suffers most from uncertainty, with fluctuations in earnings and employment.

This distinction further warps and cracks when we leave the simple capitalist enterprise, run by its owner, and consider the joint-stock company (and State owned enterprise), in which a staff of directors keep everything going, while the "owners," the share holders (or the holders of government bonds) are mere money lenders. The dividends paid to the holders of common stock is apparently non-contractual income. But what about the dividend paid on preferred stock? What about the bonuses of the corporation directors? What about the "wages of superintendence" paid to the hierarchy of managers and taskmasters, which represents at least a part of the entrepreneur in all large modern enterprises, whether private or State owned? For there is no question that in the case of the single businessman running his own business these "wages of superintendence" stand for a part if not the whole of the income he claimed in his capacity of entrepreneur.

4. An interesting explanation is given by Charles Gide, who presumes to speak for "economists of the more modern schools:" "Profit properly so called is a special kind of income due to favorable circumstances, personal or real, which enable the *entrepreneur* either to *sell above* the normal cost of production, because he enjoys an actual monopoly; or else to *produce below* the normal cost of production, and thus benefit by a *differential rent*, similar to that described in connexion with the landowner."*

There is more here than first meets the eye.

We have seen that ground-rent is collected by the landowner by virtue of his possession of an instrument of production the supply of which is limited because it cannot be reproduced by man's labor. We know that the rent collected by the landlord is a tribute which he exacts from anybody who would use this non-reproducible instrument of production. The landlord's monopolist position becomes stronger with the degree of superiority (productivity) of his property over the worst piece of property of its kind. He insists on a bigger tribute; his rent increases accordingly over the bottom (absolute) rent.

However, *all* capitalist property is essentially monopoly property. This monopoly shows itself in the ownership as well as in the control and *jus fruendi*—the privileged right to enjoy the "fruits"—of property. This monopoly will disappear only when the means of production are commonly owned, when they are everybody's, when they are common property.

By what right do the masters of the capitalist enterprise and their partners appropriate to themselves the value of the product of the workers' unpaid labor, the surplus value? By the right given to them by their class monopoly, the ownership and control of the means of production. Entrepreneur, money lender, landlord, the personnel of the State, the general supervisory staff of capitalist economy, and the lackeys and jesters of capitalism:

* Charles Gide: *Principles of Political Economy*, page 477.

publicists, lawyers, etc.—all the eaters of surplus value stand as an associated monopolist opposed to the working class.

On the other hand, the various partners in this social monopoly also face each other as monopolists in their own right. Just as the landowner exacts his rent, so the money lender insists on his interests or dividends by virtue of his possession of certain property which the borrower does not have. So the supervisory section of the entity "entrepreneur" (we have included the shareholders with the money capitalists), the personnel of the State, and the rest of the merry company, claim their portions of the surplus value from the associated capitalist monopolist on the basis of the special "services" they perform in the functioning of the entire setup.

Profit and Surplus Value

On the surface, all social elements of capitalist society, including the productive workers, appear as possessors of some commodities to sell. Every commodity seller in the capitalist market faces the prospective buyer in the capacity of a monopolist possessor of something that the buyer wants to use but cannot because it is held by somebody else. That is how the businessmen facing one another in the market regard themselves.

Gide's explanation of "profits" is, in fact, the explanation offered by the typical individual businessman. The latter does not see the complex of capitalist economy. He does not see capitalist production as a whole. He sees himself, the seller, facing prospective buyers in the market. He remembers he is in business "for profit." To him, the value of the commodity is the minimum selling price at which he is willing to part with it. That is what he himself paid for it, what cost him to have it produced. Therefore the value of the commodity he is selling appears to the individual businessman to be its cost of production. His profit is all that he can get for the commodity over and above its cost of production. His profit, the value over value, the surplus value, seems to him to be "made" by the sale itself. The more favorable are the circumstances that strengthen his monopolist position as the possessor of something that others want, the bigger is the profit he "makes."

This vulgar confusion, described by Gide as the explanation adopted by the more modern schools, was cleared up long ago by Marx, who pointed out that its prevalence was encouraged by two circumstances:

"In the first place, it is strengthened by the profit made through cheating, cunning, inside knowledge, ability and a thousand market constellations in the selling of commodities. (Gide's 'favorable circumstances, personal or real.' J. A.) In the second place, it is enhanced by the circumstance that a second determining element, the time of circulation, is here added to the labor time."*

Even the businessman, in his attempt to convince a customer that his commodity is a good "value," refers to something other than its cost of production. He has at that time an inkling of the idea of value in the real, social, sense.

The value of a commodity is as much of *society's labor* as the production of the commodity is worth. We find this *worth* of a commodity by comparing it to the value of other commodities in the process of exchange, in the buying and selling act, usually on the basis of the *universal equivalent* commodity: money. Comparison and exchange of the value of commodities cannot create more value. Exchange is not the same as creation, production.

The mere sale of a commodity cannot increase its value. It cannot create new value, surplus value, over the old—a profit.

We have seen that the surplus value he pockets in its money form as profit appears to the businessman to be the "child" of his entire investment, the cost of producing the commodity. It is for him the excess of the selling price of the commodity over its cost price. The cost of the commodity includes all those elements of its value which the business paid for: labor power, raw materials, the wear and tear of machinery, etc.

However, the value contained in the commodity is equal to the labor time required for its production (including that required to produce the material, machinery, etc.). Now all of this past and immediate labor consists of paid and unpaid portions. What the capitalist or capitalists paid for in wages accounts for only a part of the total value of the commodity. "The profit of the capitalist is due to the fact that he offers something for sale for which he has not paid anything. The surplus value, or the profit, consists precisely of the excess of the value of the commodity over its cost price. In other words, it consists of the excess of the total amount of labor embodied in the commodity over the paid labor contained in it. The surplus value, whatever be its genesis, is a surplus above the advanced total capital."* Profit is surplus value, produced by the unpaid labor of the wage worker, reckoned on the whole of the invested capital. It is not the excess of the selling price of the commodity over its value, as it appears to the individual businessman. It is the excess in the value of the commodity over its cost price.

While this excess is created in the process of production, we know it can only be realized in money in the process of circulation. Whether any surplus is realized or not, and how much of it is realized, depends on market conditions and even the ability of the individual businessman to outwit his competitors. A commodity may be sold at any point above its value or below its value. In other words, the proportions according to which the different businessmen share in the total surplus value produced by the labor of society is constantly changing.

Profit and Price

The businessman estimates the income he gets from his investments by comparing his profit to the entire capital he invested. That is the rate of profit. The tendency resulting from competition is for the individual rates of profit in each line of business to be equalized. The same tendency continues socially, in the local, national and world markets. The prevailing rates of profit in the different lines of business find a general, average, rate of profit of capital as such. The profit that goes to any magnitude of capital in accordance with this average rate of profit is called the average profit. The price at which a commodity sells therefore tends to equal the sum of its cost price and the average profit.

With competition and the play of supply and demand, the prices of the same commodities tend to become equalized. In other words, they tend to equal the sum of the average cost of production and the average profit. Which means that "the same price is paid for commodities of the same kind, although they may have been produced under very different individual conditions and may have considerably different cost prices." (Vol. III, page 234.) As a result, the commodities that are produced cheaper and therefore contain less of social value (measured by the labor time socially necessary for its production) bring more

* *Capital*, Vol. III, pp. 964-965.

* *Capital*, Vol. III, page 55.

than the average profit to the businessman selling them. They bring a surplus profit.*

The monopolist concern lording a certain branch of business may ask and get prices above the average, even though, as a result of technological improvement, the commodity is produced cheaper than before and its value has really fallen. If the consumers are unable to buy the given commodity anywhere else, this monopolist will realize super-profits, large chunks of the total surplus value in great excess of the surplus value which his capital investment would ordinarily yield him at the average rate of profit.

It is the State owned and run enterprise, backed up by the might of the totalitarian apparatus of repression, that is in the best position to realize the monopolist's surplus-profits. By decree, the State entrepreneur sets the prices of the raw material and the labor power used in the production of the given commodity as low as possible. By governmental decree it sets the (home) prices of its products as high as is practicable, while its tight monopoly of foreign trade keeps out the competition of cheaper made commodities from abroad.

"Wages of Superintendence"

The conception of profits of enterprise as a compensation for a function carried out by the masters of the conditions of capitalist production and exchange has been presented since the earliest days of modern industry under the fine name of *wages of superintendence*. It is a sturdy argument with some basis in reality:

1. Industry, it is said, is like war. It needs commanders to assign posts and distribute tasks and to supervise the execution of these tasks.

2. Modern industry is based on collective labor, which is more productive than isolated labor. The entrepreneur, master and commander of the enterprise, renders the workers' labor more productive by organizing, disciplining and coordinating their joint effort.

The attempt to represent the entrepreneur's profits as the recompense for his "labor of supervision and coordination" appeared originally as the expression of the antagonism felt by the money-borrowing "active" capitalist toward the "parasitic" money capitalist, to whom he gives a part of his loot as interest. (For similar reasons, we have the capitalist economist's usually exciting characterization of the "parasitic" role of the landowner.) It is further explained by the entrepreneur's desire to disguise his role as an exploiter of labor power by representing his income not as a part of the surplus value, derived from the worker's unpaid labor, but as wages, which he receives in his special capacity as the initiator and guide of the enterprise, independently from his ownership of capital.

*The real value of a commodity is not its individual value, but its social value; that is to say, the real value is not measured by the labor time that the article in each individual case costs the producer, but by the labor time socially required for its production. If therefore the capitalist who applies the new method sells his commodity at its social value of one shilling, he sells it for threepence above its individual value, and thus realizes an extra surplus value of threepence." (*Capital*, Vol. I, page 348.)

Commodity prices are constantly changing, rising above or falling below their individual values, with fluctuations in the value of the universal-equivalent commodity *gold*; with changes in supply and demand, as expansion of production or overproduction, restriction of production, depreciation or destruction of existing stocks of goods; with improvement (cheapening) of the method of production bringing an increased productivity of labor. All these conditions cause changes in what is "socially necessary labor time" for the production of the given commodity.

This argument sounded good in the early days of modern industry when the captain of industry really captained his business. It sounds a little worse in the case of the business undertaking where the most of functions of supervision and coordination of the labor process are left to hired shop managers while the owner himself merely looks to the "business" end of the enterprise, that is, to questions of finance. It sounds very weak in the case of the joint stock company, where the "labor of management" is entirely separated from the ownership of capital, whether borrowed or owned by the "active" masters of the enterprise. We no longer find here an individual who is at the same time the owner of the business and its director, even the financial manager, and who may therefore claim a part of the profits of the enterprise as "wages of superintendence." The nominal owner takes the appearance of a host of shareholders. The function of supervision and coordination is carried out by a hierarchy of salaried officials, managers, foremen, who command the industrial army in the name of the associated capitalist. The cleavage between ownership and supervision is even wider in the case of the State enterprise, where the supposed owner is the very vague personality "nation" (really the holders of the government bonds and all the worthies who collect their privileged incomes by virtue of their unproductive "functions.")

In the joint stock company and in the State enterprise, we have—"the transformation of the actually functioning capitalist into a mere manager, an administrator of other people's capital, and of the owners of capital into mere owners, mere money-capitalists. Even if the dividends, which they receive, include the interest and profits of enterprise, that is, the total profit (for the salary of the manager is, *or is supposed to be* (my emphasis—J. A.), a mere wage of a certain kind of skilled labor, the price of which is regulated in the labor market, like that of any other labor, this total profit is henceforth received only in the form of interest, that is, in the form of a mere compensation of the ownership of capital, which is now separated from its function in the actual process of reproduction in the same way, in which this function, in the person of the manager, is separated from the ownership of capital."*

Do the dividends of the stockholders include the total profit? Do they equal the sum of the interest on the capital supplied and the "profits of enterprise," which the single active capitalist of yesteryear used to claim in his capacity as entrepreneur, as "boss" as the commander and guide of the business? We know it is not the stockholders who perform the entrepreneur's function in the "private" corporation and certainly not the bond holding "public" in case of the government enterprise. The capitalist economist's "pure profits," said to be due to the businessman solely for his function as an entrepreneur, seem to evaporate into the thin air.

What then is the source of the income of the salaried officials, directors, managers and their underlings, who actually constitute the "functioning capitalists" in the joint stock company and the State owned enterprise? Is their income to be put in the same category as the worker's wages? Is it not a part of the surplus value produced by the productive workers above the value of their wages?

It is common knowledge that in corporations salaried posts are at times provided (besides the actual "working" supervisory staff) for "executives" whose "functions" serve in reality only as a pretext for plundering the stockholders. The salary of the "executive," the corporation and government official, tends to

* *Capital*, Vol. III, pp. 516-517.

rise with his inactivity. "Responsibility," the word popularly used to explain the corporation presidents' and big government officials' huge salaries, is not evidently a measure of productiveness. We have the interesting example of the situation in depression Germany, 1929-1933, (described by Calvin Hoover in his *Germany Enters the Third Reich*), where important stockholders, no longer able to get dividends from the fallen profits of the industrial and commercial establishments they were interested in financially, assigned themselves and their kin "jobs" in these concerns and lived on "wages." In Nazi Germany and Soviet Russia, great hierarchies of political and semi-political bureaucrats get comfortable incomes by duplicating, or superintending, the customary managerial staffs of the country's economic enterprises. It is not difficult to recognize that all these "workers" are non-productive and that their income is therefore a form of the surplus-value produced by the unpaid labor of the country's productive workers.

But what about the active supervisor of the workers' productive efforts? To what extent is his income not a part of the surplus value? We shall get at the true nature of all these salaries and wages only by defining closely the "wages of superintendence" collected by the functionaries who really perform the labor of supervision in capitalist society.

It is evident that "the labor of superintendence and management will be required whenever the direct process of production assumes the form of a combined social process, and does not rest on the isolated labor of independent producers. It has, however, a double nature:

"On one side, all labors, in which many individuals cooperate, necessarily require for the connection and unity of the process one commanding will, and this performs a function, which does not refer to fragmentary operations, but to the combined labor of the workshop, in the same way as does that of a director of an orchestra.* This is a kind of productive labor, which must be performed in every mode of production requiring a combination of labors.

"On the other side, quite apart from any commercial department, this labor of superintendence necessarily arises in all modes of production, which are based on the antagonism between the laborer as a direct producer and the owner of the means of production. To the extent that this antagonism becomes pronounced, the role played by superintendence increases in importance. But it is indispensable also under the capitalist mode of production, since then the process of production is at the same time the process by which the capitalist consumes the labor power of the laborer. In like manner, the labor of superintendence and universal interference by the government in despotic states comprises both the performance of the common operations arising from the nature of all communities and the specific functions arising from the antagonism between the government and the mass of the people.**

"In the works of ancient writers, who have the slave system under their eyes, both sides of the labor of superintendence are inseparably combined in theory as they were in practice. So it is also in the works of the modern economists, who regard the capitalist mode of production as the absolute mode of production.

* In modern industry, moving on the runway of highly perfected machinery, this "will," this coordination is provided to a great extent by the machinery itself. The workers "serve" the machines. The acts of the various workers are organized as they follow and tend the integrated movement of the machine complex.

** It is a similar situation, one may say, that accounts for the great size of the bureaucracies sitting on the top of the populations of Fascist Italy, Nazi Germany and Soviet Russia.

On the other hand, as I shall show immediately by an example, the apologists of the modern slave system utilize the labor of superintendence quite as much to justify slavery, as the other economists do to justify the wage system."*

And Marx quotes Mommsen's *Roemische Geschichte* to describe the duties and status of the *villicus*, the manager, of Cato's time.

Said Aristotle: "For the master proves himself such not in the buying, but in the employing of slaves."

On which Marx comments: "The capitalist proves himself such, not by the ownership of capital, which gives him the power to buy labor power, but in the employment of laborers, nowadays of wage laborers, in the process of production."**

In the office of management and superintendence we therefore have the combination of two functions. One is the productive labor of coordination required in every mode of production based on combined, cooperative, social labor. The cooperation of the individual workers in production increases the total output. It is more productive of value. The activity of the foreman and managers, insofar as it provides this unity, harmony and direction of effort, plays a part in the increased productivity and is, to that extent, productive work, like the labor of the wage workers. But under capitalism, as in other modes of production based on the exploitation of labor power and therefore marked by class antagonism, the labor of superintendence and management arises especially out of the antagonistic character of the rule of capital over labor. The unwilling wage laborer, like the slave of antiquity, must have a master who shall put him to work, curb him, order him around, squeeze the maximum of unpaid labor out of his body. "And assuming this relation of master and servant to exist, it is quite proper to compel the wage laborer to produce his own wages and also the wages of superintendence, a compensation for the labor of ruling and superintending him, 'a just compensation for his master in return for the labor and talents devoted to ruling him and to making him useful to himself and to society.'****

Insofar as the member of the supervisory staff of the capitalist enterprise performs the productive function of coordinating combined labor and therefore increasing its productivity, he has the same social status as the technical specialist. However, in both cases, the salaried man usually combines with this productive activity the non-productive function of the taskmaster, of Cato's *villicus*.**** He is at the same time a taskmaster, a commissioned officer of the associated master, and a producer. His income therefore has a mixed social character. One part of it has the same origin as the worker's wages: pay for productive labor. Another part is derived from surplus value, the unpaid labor of the productive workers. It is in a society where the means of production are commonly owned and therefore democratically controlled, and where the will of the worker does not need to be bent to the will of the associated eaters of surplus value, that the taskmaster side of the labor of superintendence will reach the minimum.

* *Capital*, Vol. III, pp. 451-452.

** *Capital*, Vol. III, page 453.

*** Marx is quoting here lawyer O'Connor, who addressed a meeting in New York on December 19, 1859, on the topic: "Justice for the South." (*Capital*, Vol. III, page 454).

**** Combined, nearly always, with the tasks of the clerk, which, though non-productive, is necessary under all forms of social production. We are touching, in the last case, on the unproductive expenditure of labor time in keeping records, a labor that owes its vastness under capitalism to the fact that capitalism is a mode of production of commodities, things made to be sold. We have already discussed this application of labor power in No. 9, Vol. 2, *International Review*.

It is true, as Marx observed, that in latter-day capitalism this "labor of superintendence" walks the streets. Like the workers' wages, the "wages of superintendence" find their level "to the extent that a numerous class of industrial and commercial superintendents" is formed. And they fall like all wages for skilled labor, "with the general development, which reduces the cost of production of specifically trained labor." However, the tendency in capitalist society is to set off these "laborers," as well as the technical specialists, from the workers, and emphasize the taskmaster part of their functions by allowing them a generally higher recompense, obviously out of proportion with the value they probably create.

The portion of the salaries of the supervisors and technicians that accounts in value for the taskmaster part of their services to the associated capitalist is, like the wages of the clerical workers and the upkeep of the State, a part of the *faux frais*, incidental expenses, general "overhead," of the total capitalist economy. The expenditure of capital, the consumption of value, represented by all these small and big salaries, creates neither products nor values. But capitalism cannot be run without these people. Their salaries (insofar as they are received in payment for non-productive functions) are a part of the surplus value which the other eaters of surplus value must forego in order to keep the entire economic scheme running.

The New Masters

But with the development of capitalism—as capital becomes more and more endowed with the form of social capital as distinguished from private capital, as its enterprises assume the form of social enterprises* (joint stock companies and State economy) as distinguished from individual enterprises — it becomes more true and more evident that it is these *villici*, the managers of the slaves, who are the "soul" of capitalism. The next step is for the *villici* to take matters in their own hands, to turn out the old masters, who are now mere sleeping partners, and to rule the slave enterprises as masters in their own right, by virtue of their function as taskmasters. The taskmaster, the lieutenant of industry, takes over the captaincy of capitalism.

We have noticed that munificently paid sinecures are created and occupied under the guise of "executives" jobs. We know that much of the activity of the supervisory staff is non-productive even when, as in the large corporation and syndicate and in the State enterprise, it is executed as standardized routine by clerical staffs. The associated, the total capitalist (the eaters of surplus value considered as a whole), gives a part of the surplus value to the persons that manage his economic enterprise. His power to exploit the workers' energy rests on the strength of the State. He therefore pays a part of the total surplus value to the State officials and armed forces that furnish him this strength. As a necessary development of the movement of the system (serving, like trusts and other centralized units, the purpose of "procuring the compensation" of the rate of profit), we get the rise of "control capitalism," the attempt to organize capitalism nationally and improve the chances of each national capitalist on the world market. With the establishment of the conditions of national control capitalism, the State apparatus is superimposed over (as in Nazi Germany), or merged with (as in Soviet Russia) the supervisory apparatus of capitalist economy. The taskmasters, armed retainers, lackeys and jesters of capitalism, take over the show, kick out the old *private owners*, and run the

capitalist economy in their own behalf. It is, indeed, the abolition of capital as private property within the boundaries of capitalist production itself.

How does this affect the wage workers, the slaves of capitalism? Considering their situation in Russia and Germany, where this transformation is most evident, we may say that the lot of the workers has changed for the worse. Under the guise of the abolition of capitalism, this "abolition of private property within the boundaries of capitalism" curtails the political "liberty of person" that came with the rise of capitalism. The proletarians are still unencumbered by any means of production of their own (as Marx puts it). But they are no longer free laborers in the sense that they may refuse their labor power to the boss. The tendency is for them to form part and parcel of the means of production, like the slaves and bondsmen of old.

What is the difference as far as the eaters of surplus value are concerned? Less surplus value is appropriated by the virtue of the "ownership" of capital. Most of the surplus value, representing the unpaid labor of the workers, is appropriated in the form of "wages of superintendence," the upkeep of the State personnel and the royalties and "wages" of the new (now "public") lackeys and jesters.

This situation is approximated in Germany today. There the Nazi State has fastened a great apparatus of political and semi-political administrators to the economy of the country in the execution of its program of *Gleichhaltung*, national coordination. Germanicus in *Germany: The Last Four Years** estimates the number of the "whole-time" State employees engaged only in the supervision and control of industry as more than 500,000. It is impossible to estimate the round number of Nazi henchmen occupying other "executive" positions in industry and commerce by virtue of their Party connections. It is impossible to estimate the value devoted to the upkeep of the blown up Nazi State apparatus and its mailed fist, the armed forces. Much of the surplus value formerly collected in the form of dividends, interest and rent is now taken to itself by the Nazi State through taxes. Here State taxation has become a prevalent form of collecting surplus value, while "wages of superintendence" and the salaries of State officials and semi-political administrators are a very important (possibly most important) form of income.

The situation described as that of "control capitalism" is unquestionably dominant in Soviet Russia. There the political apparatus of the State and supervisory apparatus of the country's economy have merged almost completely. Ground rent has seemingly disappeared as a form of sharing in the surplus value resulting from the unpaid labor of the productive workers. In fact, it is being collected by the State through taxation. Interest seemed to have dwindled away to nothing for some time. Then it revived to reach again respectable proportions. The surplus value is gathered especially in the form of the industrial and commercial profits realized by the State entrepreneur and in taxes exacted from the half-serf, half independent agricultural population. The dominant forms of sharing in the surplus value squeezed out of the bodies of the productive workers are in contemporary Russia: "wages of superintendence," feeding the huge State bureaucracy and the most wasteful supervisory staff the world has ever seen; the royalties and salaries of a vast technical, clerical and cultural intelligentsia; the upkeep of a great machine of repression—the armed forces and the numerous police.

(In the following issues—*The Income of the "Liberal Professions" and State employees; the New Capitalism.*)

* Marx calls this: "The abolition of capital as private property within the boundaries of capitalist production itself." (Vol. III, p. 516.)

* Germanicus: *Germany: The Last Four Years*. The Houghton Mifflin Company \$1.75.

books

THE STATE AND THE SOCIALIST REVOLUTION.

By J. Martov, *International Review*, New York. 64 pp.

MARTOV'S FAMOUS essays on Marxism and the State can be read now in English translation. Written in 1918-1919, in the midst of the Russian Revolution, these fearless studies are referred to by some people as "that refutation of the cunning demagoguery of Lenin's *State and Revolution*." Martov's work is more than that. It is a handbook on Marxian political theory. The Russian situation is merely its springboard. It is meant primarily for the Western socialist.

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STATE AND SOCIALIST REVOLUTION by J. MARTOV

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L'URSS TELLE QU'ELLE EST (The USSR as It Is). By Yvon. Preface by André Gide. Gallimard: Paris. 280 p., 28 fr.

THIS IS AN elaboration of *What Has Become of the Russian Revolution*, the 64 page pamphlet which Gide, in the present preface, qualifies as "probably the best thing written on the question." It is understood that the larger book is richer and slightly more up-to-date in detail. It contains three sections that are not found in the pamphlet. Under the heading: *Economic System*, Yvon deals with the methods of Soviet industrialization and agricultural "collectivization" and presents his (or his literary advisers') opinions on "economic planning." In the section *Factory*, he describes "Factory Organization and Functioning," "Methods of Work" (piece-work schemes, Stakhanovism, etc.), "Soviet Trade Unions." Under the title *Cadres*, (Commanding Ranks), he describes the "new bosses," their origin and outlook, training and their role in the very important question of sabotage, which involves the struggle for supreme mastery between the old Party élite and the technical "specialists." Yvon deals more fully in the new book with the general topics of "State Power," "Standard of Living," "Liberty." As in the

smaller work, lent more pretentiously, he presents his conclusions concerning the "new society."

Somewhat in the manner of J. Ayres, Yvon traces the apportionment of the total product in the avowed capitalist country and in Soviet Russia, showing that there is essentially no difference between the two economic set-ups. Then, on the top of this—miracle of miracles! — he permits himself to wonder whether "socialism" does not after all merely continue the exploitation that is distinctive of capitalism and whether the abolition of capitalism does not merely mean the enthronement of a new ruling, privileged class, the class of supervisors and "technicians." But it is a sentiment that has meaning only for those who think of socialism as government ownership, technocracy, an era of "just" wages, "equal" wages, wages that are a "remuneration of the worker's labor in accordance with its quantity and quality," etc. Indeed, a system of commodity production, of buying and selling, of wages (and where you have wages you have, buying and selling, commodity production), under State ownership, is merely the continuation of the exploitation that is distinctive of capitalism. It is capitalism. In spite of all "planning," State ownership does not solve the economic contradictions and social antagonisms that are part and parcel of capitalism. That can only come with the abolition of the *system of wage labor*, that is, with the abolition of capitalism.

Capitalism is not static. Capitalism is continually changing its forms. It changes to suit its specific (national and world) conditions of renovation, of accumulation. These alterations of form are merely *adjustments* of capitalism. They occur, to repeat, in response to the needs of the economic process as determined by existing historic circumstances. Our argument for socialism (social ownership, the abolition of the wages system) rests precisely on our knowledge that while here and there, and universally, in a cumulative manner, capitalism makes these adjustments, such surface alterations can not do away with the contradictions and antagonisms that are characteristic of capitalism. The latter are the effects of a cause: capitalism, the wages system. They can be done away with only when their cause, capitalism, the wages system, is abolished.

You may attach words like "new society," "socialism," "communism," to any change of form that the capitalist economic process resorts to in order to continue and develop under certain historic conditions. Your use of these words does not change matters a whit in reality—though it may raise resplendent or gruesome structures in the minds of Webbs, Gides and others who, in spite of their literary proficiency, have no exact understanding of the nature of capitalism.

The economic contradictions and social antagonisms typical of capitalism can only be solved with the abolition of the wages system, which is but another name for the capitalist system. When the wages system is abolished, the ground will be taken away for the luxuries and high salaries of the Soviet bureaucrats and "specialists." There are then no wages, high or low. There will be then no remuneration either in accordance with the quantity or kind of labor (vide new Soviet Constitution) and no ground even for talk about giving the worker the full product of his labor. Under socialism, the time of the individual worker may be measured to suit the needs of production, but the result of his labor merged into the associated labor of the cooperative, socially integrated industry on which socialism is posited—that is beyond evaluation as "wages," as pay for *so much* of a certain kind of (the current interpretations of Marx's remarks in *Critique of the Gotha Program* notwithstanding). Under socialism

people will participate in the associated, cooperative labor. They will take the goods and services that they want for the satisfaction of their needs. There will be no "paying" either to the individual worker for the work he performs, nor by the individual worker for the goods he takes for his consumption.

The advantageous social position and political power of the Soviet "bureaucrats" and "specialists" rests precisely on the fact that the Russian "new society" in spite of all its socialist language adornments, is only the same old capitalist, wages system. You have there the purchase and sale of commodities, and among these, the commodity *labor power*. You have there (as the newest Soviet constitution puts it), the "remuneration of labor in accordance with its quantity and quality." Under the camouflage of a "socialist" wages system, you have in Russia the enactment of a swindle that is also not alien to capitalism. (And Yvon is shrewd enough to recognize this.) A very important part of the product of the unpaid labor of the Russian worker is appropriated, as elsewhere in capitalism under the guise of the splendid upkeep of the huge Party and civil officialdom, the military and police "cadres," the technicians, specialists, managers, directors and the rest of the supervisory "cadres" who run the national economic set-up for the benefit of the associated (Russian and foreign) eaters of the surplus value produced by the Russian productive workers.

Does Yvon play with the concept of the "new society" in response to the outlook of the Gides and the rest of his intellectual patrons? But yesterday these worthies hailed with enthusiasm the "new society" in Russia. Seeking to touch the beautiful fairy tale they believed in so fondly, the children burned their fingers. They still do not understand capitalism, but, as if echoing old Mallock, they warn against the "new slavery."

It is not new, gentlemen. It is the same capitalist slavery. Only the ribbons decorating the whip are new — this time, scarlet. No amount of indignation and alarm will free us from this slavery. Only the wide understanding of capitalism, no matter what form it takes—only socialist understanding by great numbers—can free us. That Yvon's "conclusions" are the conclusions of so many disappointed "revolutionists" is a sign that this understanding is still weak and uncommon.

The sound book on Soviet Russia will not merely describe the "USSR as it is." The sound book on Soviet Russia will also explain how the USSR became as it is. It will describe the development of the historic, material conditions that made the Russian Revolution, and thus account for the "socialist" masquerade of the Soviet brand of capitalism.

An inkling of what really happened in Russia was given by Engels about fifty years ago in his letters to Danielson. The "industrial hot-house method," Engels wrote to the Russian economist, "renders the process acute, which otherwise might have retained a more chronic form. It crams into twenty years a development which otherwise might have taken sixty or more years. But it does not affect the nature of the process itself, which, as you say, dates from 1861. One thing is certain: if Russia really required and was determined to have a *grande industrie* of her own, she could not have it at all except under some degree of protection, and this you admit. From this point of view, too, then the question is of *degree* only, not of principle; the principle was unavoidable." (London, September, 1892. *Marx-Engels Selected Correspondence*, International Publishers, pp. 498-499.)

Here is the key to the revolutionary past and "socialist" present of Russia: the industrial development of the Russian empire by the hot-house method, through State intervention. But a book that traces this idea in the terms of the historical experience of Russia might be a book by a social scientist. Yvon's is only a book by a social reporter. The title is very fitting. As a factual account of Russian society, *L'URSS Telle Qu'elle Est* is the best thing of its kind. It is especially good (at least considered from our point of view) because its author has not lost so far the ability to see things from the angle of the wage worker.

About eight months ago, at the height of the Western reaction to the Moscow Trials, a prominent American litterateur, who had already become critical of Bolshevism after a visit to Soviet Russia, reviewed in one of the foremost American liberal weeklies a number of books on Russia. The authors considered were: 1. a German exile novelist with a Popfront outlook, 2. two famous French writers who had turned infidel after a pilgrimage to the Soviet Holy Land, 3. a French-Russian "Left Communist" author of "revolutionary" literature who had been rescued several years ago from Russia by the protest of French intellectuals, 4. a former American correspondent in Russia, 5. a former American Communist "trade union man," who had escaped from Russia after going there to dodge the "law" at home, 6. an English doctor, interested in the situation of the medical business in Russia. When we asked why Yvon's pamphlet was omitted, we were told by a person near enough the situation to know:

"You shouldn't expect it. X. has reviewed the works of a newspaper correspondent, a doctor, a former Communist trade union official, several illustrious writers. But here, in Yvon, you have the donkey itself, the worker, talking. Who is interested in what the beast of burden has to say? Certainly not the reading public. The reading public is interested mostly in the spiritual side of the question."

However, the reading public may take to Yvon's new book, which besides being the best existing factual report on Russia, also allows slightly (in its qualms over the "new society") for the "spiritual" side of the question, and has, moreover, the grace of a preface by André Gide. With its attention won by the latter bait, the reading public in the United States and England may actually come to recognize the value of Yvon's work as the intelligent person's guide to Soviet Russia. *The USSR As It Is* can become one of the widest read books in the English speaking world, if the watchfulness of the commissars who now guard most editorial offices against dangerous "deviations" is circumvented, and the English version finds a publisher.

Our first printing of *What Has Become of the Russian Revolution* (still the clearest and soundest handbook on Soviet Russia obtainable in English) sold out without the help of reviews by prominent literary critics in foremost liberal weeklies. The individual and workers' organizations who bought up the pamphlet never heard of the prominent literary critic or of Gide's approval of Yvon. Somehow the word got around that a book of 64 pages, packed with facts, plainly written by a French worker who had toiled for eleven years in Russia, had just been put out in English, and while it was not "literature," it was the real goods. English reading workers from the five continents started to ask for Yvon's pamphlet. And the demand has not slackened.*

*WHAT HAS BECOME OF THE RUSSIAN REVOLUTION? By M. Yvon. With a preface on State Capitalism by Integer. 64 p., 25 cents. International Review, P.O. Box 44, Sta. O, New York, N. Y.

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